

605 KAR 1:050. Dealer and salesman.

RELATES TO: KRS 190.010, 190.030, 190.035

STATUTORY AUTHORITY: KRS 190.010, 190.030, 190.035

NECESSITY, FUNCTION, AND CONFORMITY: KRS 190.030 requires that a salesman's license shall indicate for whom the salesman works and be displayed upon request. This administrative regulation establishes the relationship between the dealership and salesman and implements statutory requirements to facilitate accurate recordkeeping by the Motor Vehicle Commission.

Section 1. A properly licensed motor vehicle salesman employed by a licensee may, in that capacity, sell or exchange a motor vehicle in Kentucky, subject to the requirements established in this section.

(1) The activity shall be pursuant to the salesman's employment by the licensee whose name appears on the salesman's license.

(2) A salesman shall not establish a place of business separate from the location for which his employer holds a license.

(3) A salesman shall not hold himself out to be a licensed dealer or conduct himself in any manner which would lead a prospective purchaser to believe he is a licensed dealer.

(4) A salesman shall not advertise his sales activity at any location other than the location for which his employer holds a license.

Section 2. In the event a salesman changes his place of employment to another dealership, he shall return his license to the commission along with a properly completed Application for Salesperson License, TC 98-4, showing the name and address of the new dealership.

Section 3. Every dealer licensee shall display in a conspicuous place in the dealership office a copy of the license of each salesman employed by the dealership. Upon the termination of employment of a salesman, the licensee shall, within ten (10) days, notify the commission of the termination and return to the commission the dealer's copy of the salesman's license.

Section 4. (1) An applicant for a motor vehicle salesman license shall submit an Application for Salesperson License, TC 98-4, containing the name, home address, social security number, date of birth of the applicant, and the employment history of the applicant in the motor vehicle industry identifying the name and address of any previous motor vehicle dealerships at which the applicant was employed. If the applicant does not have prior experience in the motor vehicle industry, the applicant shall so state.

(2) An applicant shall furnish a current photograph for identification purposes.

(3) An applicant shall authorize the commission to make inquiries or investigations concerning the applicant's employment, credit, or criminal records. The applicant or the employing dealership shall remit the required fee for a criminal background check if requested by the commission.

(4) An Application for Salesperson License, TC 98-4, shall be signed by the applicant and the authorized representative of the employing dealership.

Section 5. The following individuals shall be required to obtain a salesman's license:

(1) Each general partner actively involved in the day-to-day operation of a general or limited partnership holding a motor vehicle dealer license;

(2) The president, chief executive officer, chief operating officer, or equivalent of a corpora-

tion holding a motor vehicle dealer license; and

(3) Each manager, or, if member-managed, each member actively involved in the day-to-day operation of a limited liability company holding a motor vehicle dealer license.

Section 6. If any of the individuals in Section 5 are physically located and conduct business at more than one location, the individual shall procure a salesman's license for each location. Otherwise, the individual shall procure a license for the location in Kentucky where he is located or a primary location in Kentucky if he is located outside the state.

Section 7. Incorporation by Reference. (1) "Application for Salesperson License", TC 98-4, October 2010, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Motor Vehicle Commission, 105 Sea Hero Road, Suite 1, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (Recodified from 601 KAR 21:050, 7-13-84; Am. 18 Ky.R. 496; eff. 10-1-91; 40 Ky.R. 664; 1254; eff. 1-3-2014.)